Loans to borrowers under priority sector

1396. SHRI S.S. AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) whether under the extant guidelines of RBI, banks are obliged to grant loans to borrowers falling under the priority sector category;

(b) if so, salient details of banks obligation, year-wise details of their having met the obligation since 1991-92 till 30th September, 2006 and the nomenclature of borrowers falling under priority sector showing revisions made, if any, during the period in the category; and

(c) the details of the volume of outstanding loans in the priority sector indicating volume of loans becoming NPAs since 1991-92 showing their percentage *vis-a-vis* the overall NPAs of the banks, including refinancing institutions e.g. NABARD, year-wise;

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The extant guidelines of the Reserve Bank of India (RBI) stipulate a target of 40% of Net Bank Credit (NBC) for lending to the priority sector by domestic scheduled commercial banks both in the public and private sector. Within this, sub-targets of 18% and 10% of NBC have been stipulated for lending to agriculture and weaker sections respectively.

(b) and (c) The information is being collected and will be laid on the table of the House.

Delayed crediting of cheques by banks

1397. SHRIMATI JAYA BACHCHAN:
SHRI MOTIUR RAHMAN:
SHRI AJAY MAROO:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that by delaying the clearance of cheques of customers, banks earned Rs. 3276 crores in the year, 2005-06;

(b) whether it is also a fact that the enrichment had been on 13000 lakh cheques worth Rs. 11,337,000 crores as estimated by the India Statistical

Institute and the RBI's Department of Statistical Analysis and Commuter Services; and

(c) whether it is an unfair practice on the part of the banks and if so, how do the banks propose to compensate the customers and the steps contemplated to do away with the the unfair practice?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) RBI does not have any such instances on record that any bank has made huge earnings in cheque clearing and deliberately delaying the credit. If any specific instances of violation of RBI's guidelines are noticed, it takes appropriate regulatory action.

(c) Does not arise. However, any customer aggrieved by delay in clearance of cheques can move the concerned Banking Ombudsman for redressal of his grievance.

Service Tax on user charges for use of public amenities

1398. SHRIMATI JAYA BACHCHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have decided not to levy Service Tax on the user charges for the use of public amenities;

(b) if so, the details of the faciilities/services that are covered by the definition of amenities; and

(c) whether the hospital services, school educaiton facilities and insurance etc., are covered by the definition of amenities, if not, how do Government define amenities?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Taxable services are specified under section 65 (105) of the Finance Act, 1994. Public amenities are not specified under section 65 (105) of the Finance Act, 1994. Public amenities are not specified under the above section. Use of hospital services and educational services are also not specified taxable services under section 65 (105).